CITY OF KING

RESOLUTION NO. ___

A RESOLUTION AUTHORIZING THE ISSUANCE OF CITY OF KING (MONTEREY COUNTY, CALIFORNIA) 2021 WASTEWATER REFUNDING REVENUE BONDS, APPROVING THE FORM AND AUTHORIZING EXECUTION OF AN INDENTURE OF TRUST AND A BOND PURCHASE AGREEMENT AND AUTHORIZING ACTIONS RELATED THERETO

RESOLVED, by the City Council (the "Council") of the City of King (the "City"):

WHEREAS, the City has previously issued its Wastewater Refunding Revenue Bonds, Series 2018 (the "2018 Bonds"), to refund prior bonds issued in 2009 to finance the improvement, betterment, renovation and expansion of certain facilities within the City's municipal wastewater enterprise (the "Wastewater System");

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the "Refunding Bond Law") authorizes the City to issue its refunding bonds for the purpose of refunding obligations of the City;

WHEREAS, the City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of bonds under the Refunding Bond Law to provide for the refunding of the 2018 Bonds;

WHEREAS, to that end, the City has determined to issue its City of King (Monterey County, California) Wastewater Refunding Revenue Bonds, Series 2021 (the "2021 Bonds"), pursuant to an indenture of trust (the "Indenture"), by and between the City and Wells Fargo Bank, National Association, as trustee (the "Trustee");

WHEREAS, the 2021 Bonds will be secured by a pledge of the net revenues generated by the Wastewater System;

WHEREAS, the firm of JPMorgan Chase Bank, N.A. (the "Purchaser") has agreed to purchase the 2021 Bonds;

WHEREAS, the Council has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City; and

WHEREAS, pursuant to section 5852.1 of the Government Code, which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the 2021 Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of King as follows:

Section 1. Determination to Carry Out Refunding. The Council hereby determines to refund the 2018 Bonds.

Section 2. Issuance of the 2021 Bonds; Approval of Indenture.

(a) The Council hereby authorizes the issuance of the 2021 Bonds.

(b) The 2021 Bonds shall be issued pursuant to the Indenture. The Council hereby approves the Indenture in the form on file with the City Clerk, together with such non-material additions thereto and changes therein as the Mayor, the Vice Mayor, the City Manager or the Director of Finance, or any designee thereof (the "Designated Officers"), shall deem necessary, desirable or appropriate, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such non-material additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Indenture for and in the name and on behalf of the City. The Council hereby authorizes the delivery and performance of the Indenture.

Section 3. Sale of 2021 Bonds. The Council hereby approves the sale of the 2021 Bonds to the Purchaser pursuant to a bond purchase agreement (the "Bond Purchase Agreement") in the form on file with the City Clerk, together with such non-material additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such non-material additions and changes, so long as the debt service on the 2021 Bonds, as compared to the debt service with respect to the 2018 Bonds, provides net present value savings to the City of at least 8%. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the City upon the submission of an offer by the Purchaser to purchase the 2021 Bonds, which offer is acceptable to a Designated Officer and consistent with the requirements of this Resolution.

Section 4. Official Actions. The Mayor, the Vice Mayor, the City Manager, the Director of Finance, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, 2021 Bonds, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2021 Bonds and the consummation of the transactions as described herein.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

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I, the undersigned hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the City Council of the City of King in a regular meeting assembled on the 11th day of May, 2021, by the following vote to wit:

YAES:

NOES:

ABSENT:

ABSTENTIONS:

Secretary

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's municipal advisor which has been represented to have been provided in good faith:

(A) True Interest Cost of the 2021 Bonds: 2.25%

(B) Finance Charges: $112,000

(C) Net Proceeds to be Received: $3,900,670
(net of finance charges)

(D) Total Payment Amount through Maturity: $4,858,659.54

The foregoing estimates constitute good faith estimates only.

The principal amount of the 2021 Bonds, the true interest cost of the 2021 Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2021 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2021 Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the 2021 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2021 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the 2021 Bonds and the actual principal amount of 2021 Bonds sold will be determined by the City based on the timing of the need for proceeds of the 2021 Bonds and other factors. The actual interest rates with respect to the 2021 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2021 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.